TELUS

rising above

Q2 2017 investor conference call
August 11, 2017

Caution regarding forward looking statements

This presentation and answers to questions contain forward-looking statements about expected events, including relating to our 2017 targets, multi-year dividend growth and our normal course issuer bid, fibre network and other capital investments, leverage ratios, and the performance of TELUS. By their nature, forward-looking statements do not refer to historical facts and require the Company to make assumptions and predictions, and are subject to inherent risks. There is significant risk that the forward-looking statements will not prove to be accurate. There can be no assurances that TELUS will complete all or any purchases under the 2017 normal course issuer bid or a future normal course issuer bid, or that TELUS will maintain its multi-year dividend growth program. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors (such as competition, technological substitution, regulatory developments, government decisions, economic performance in Canada, our cost reduction initiatives, our earnings and free cash flow, our capital expenditures and decisions regarding our dividend or intent to purchase shares) could cause actual future performance and events to differ materially from those expressed in the forward-looking statements. Accordingly, all forward-looking statements made today are subject to the disclaimer and qualified by the assumptions (including assumptions for the 2017 annual targets and guidance, and semi-annual dividend increases through 2019), qualifications and risk factors as set out in the second quarter Management's discussion and analysis (MD&A) and in the 2016 annual report's MD&A, especially Sections 9 and 10, and in other TELUS public disclosure documents and filings with securities commissions in Canada (on SEDAR at sedar.com) and in the United States (on EDGAR at sec.gov). Except as required by law, TELUS disclaims any intention or obligation to update or revise forward-looking statements, and reserves the right to change, at any time at its sole discretion, its current practice of updating annual targets and guidance.

Building outstanding value for our investors

- Continuing wireless momentum
- Generating profitable wireline growth
- Returning significant capital
- Investing for future growth

Continuing our wireless momentum

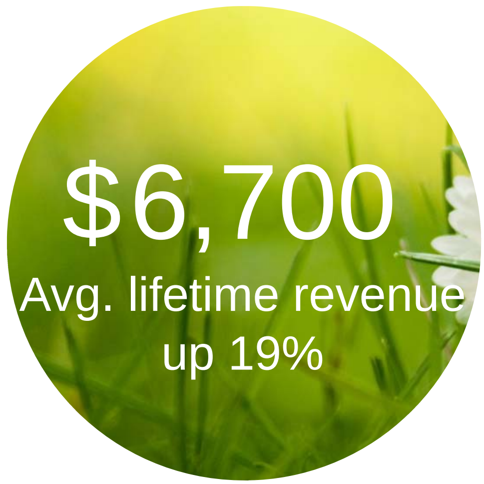
99,000
postpaid net adds

0.79%
postpaid churn

$66.87
blended ARPU up 3.9%

Record low churn and strongest loading since 2014

Generating leading lifetime revenue



High-quality postpaid loading driving financial success

Profitable wireline customer growth

Balancing wireline net adds with profitable growth in competitive Western Canada market

Delivering on our multi-year program

Returning significant capital to investors since 2004

Second quarter 2017 financial results

Second quarter 2017 wireless results

5th consecutive quarter of accelerating network revenue growth driven by data and postpaid sub growth

Second quarter 2017 wireline results

+2.2%
revenue (external)

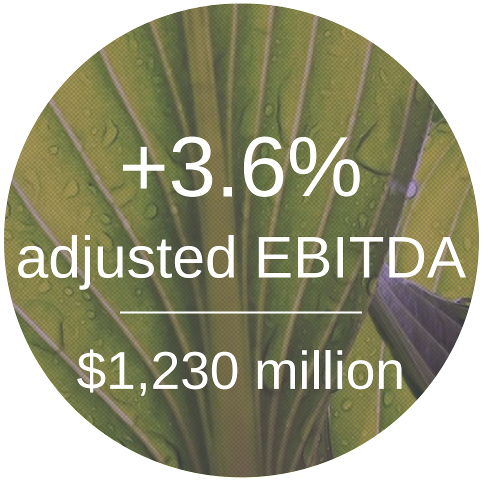
$1,427 million

+4.1%
adjusted EBITDA

$421 million

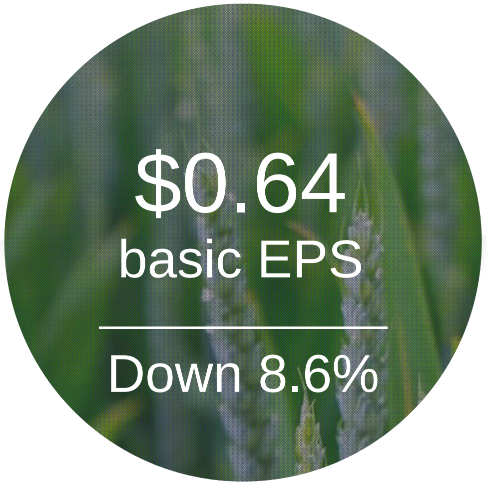
Adjusted EBITDA margins up 30 basis points to 28.5%

Second quarter 2017 consolidated results



Growth in wireless and wireline data augmented by cost efficiency

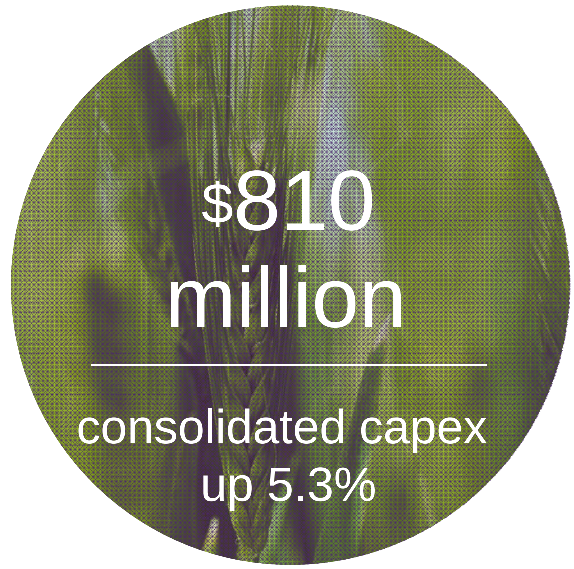
Second quarter 2017 consolidated results



Lower operating income due to COA/COR investments, and higher depreciation and financing costs

Investing for future growth

- 1.26 million TELUS PureFibre premises
- 4G LTE to 99%, LTE-A to 84% of Canadians



Free cash flow doubled to $260 million

Questions?

Investor relations
1-800-667-4871
telus.com/investors
IR@telus.com

Appendix – Q2 2017 EPS analysis

Basic EPS as reported (Q2 2016)	**$0.70**
Restructuring and other costs	0.03
Gain on exchange of spectrum	(0.02)
Net gains from real estate developments	(0.01)
Adjusted basic EPS (Q2 2016)	**$0.70**
Higher EBITDA excluding restructuring and other costs	0.03
Higher depreciation and amortization	(0.03)
Higher financing costs, non-controlling interest and other	(0.02)
Adjusted basic EPS (Q2 2017)	**$0.68**
Restructuring and other costs	(0.04)
Basic EPS as reported (Q2 2017)	**$0.64**

Appendix – free cash flow

C$ millions	2016 Q2	2016 Q2 YTD	2017 Q2	2017 Q2 YTD
EBITDA	1,189	2,329	1,194	2,455
Capital expenditures (excluding spectrum licenses)	(769)	(1,387)	(810)	(1,534)
Net employee defined benefit plans expense	22	44	20	41
Employer contributions to employee defined benefit plai	(14)	(39)	(13)	(35)
Interest paid, net	(131)	(254)	(124)	(266)
Income taxes paid, net of refunds	(150)	(423)	(33)	(179)
Share-based compensation	22	38	23	39
Restructuring and other costs, net of disbursements	(11)	(39)	-	(46)
Gains from the sale of property, plant and equipment	(8)	(11)	-	(1)
Other	-	-	6	6
Free Cash Flow	**126**	**234**	**260**	**477**
Spectrum	(145)	(145)	-	
Issue of shares by subsidiary to non-controlling interest	-	292	-	
Purchase of Common Shares for cancellation	(61)	(121)	-	-
Dividends paid to holders of Common Shares	(261)	(524)	(260)	(544)
Cash payments for acquisitions and related investments	-	(2)	(493)	(505)
Real estate joint ventures	30	18	(7)	(9)
Working Capital and Other	429	(54)	145	(181)
Funds available for debt redemption	**118**	**(302)**	**(355)**	**(762)**
Net issuance of debt	(168)	507	(68)	701
Increase (decrease) in cash	**(50)**	**205**	**(423)**	**(61)**

Appendix – definitions

Our presentation and answers include the following non-GAAP measures, which may not be comparable to similar measures used by other issuers:

- EBITDA does not have any standardized meaning prescribed by IFRS-IASB. We have issued guidance on and report EBITDA because it is a key measure used to evaluate performance at a consolidated level and the contribution of our two segments. For definition and explanation, see Section 11.1 in the 2017 second quarter Management's discussion and analysis (MD&A).
- Adjusted EBITDA for the second quarter excludes:1) restructuring and other costs of $39 million (vs. $23 million in 2016); 2) gains from the exchange of wireless spectrum ($15 million in 2016); and 3) net gains and equity income of $3 million related to real estate joint venture developments (vs. $9 million in 2016).
- Adjusted basic EPS does not have any standardized meaning prescribed by IFRS-IASB. This term is defined in this presentation as excluding (after income taxes) 1) restructuring and other costs; 2) gains from the exchange of wireless spectrum 2) net gains and equity income related to real estate developments. For further analysis see Section 1.3 in the 2017 second quarter MD&A, and the appendix of this presentation.